

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 7110

BILL NUMBER: SB 380

NOTE PREPARED: Jan 6, 2013

BILL AMENDED:

SUBJECT: State-Assisted Retirement Plan.

FIRST AUTHOR: Sen. Walker

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: The bill establishes a state-assisted retirement plan (Plan) for purposes of encouraging Indiana residents to increase their rate of savings and to build assets for the use of a participant or the participant's beneficiaries or survivors after the participant's retirement. It provides that the Treasurer of State is the administrator of the plan.

The bill requires that the plan be qualified under Section 401(a) or another applicable section of the Internal Revenue Code. The bill provides that an employer can participate in the plan only if the employer does not offer its employees a pension or retirement system of any kind. It provides that participation in the plan is voluntary for eligible employers and employees, and permits self-employed individuals to participate in the plan.

The bill provides that the plan may not be construed as a debt, a liability, or an obligation of the state, and that the state does not guarantee amounts deposited into an account or investment returns earned by an account.

Effective Date: July 1, 2013.

Explanation of State Expenditures: The Treasurer, as administrator of the Plan, will incur costs associated with the administration of the Plan, including record keeping, accounting, legal, investment and other services. The Treasurer will determine the appropriate administrative fees to charge to each account. However, these expenses will first be paid for through investment fees that are deducted directly from investment returns. Any remaining expenses will be charged to each participant's account.

The Treasurer may choose to create an advisory board to assist with the implementation of the Plan and/or may

contract with an operator or operators of its choosing to assist with any of the provisions under the bill.

The Treasurer may incur one-time start-up costs in regards to the Plan prior to enrolling any participating employers and participants into the Plan. These costs are indeterminable at this time, although may be small, due to the Treasurer's experience with providing investment services for the state. The Treasurer may assess an administrative fee against participating employers in order to recoup these start-up costs.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Treasurer of State

Local Agencies Affected:

Information Sources: Treasurer of State Website; IRS Types of Retirement Plan Webpage (www.irs.gov/Retirement-Plans/Plan-Sponsor/Types-of-Retirement-Plans-1).

Fiscal Analyst: Stephanie Wells, 232-9866; Jim Landers, 232-9869.